



## Required Minimum Distributions Waived for 2009

Employment, Labor & Benefits Practice Group

*Foster Swift Employment, Labor & Benefits Quarterly*

March 2009

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### **PRACTICE AREAS**

Employee Benefits

Congress passed the Worker, Retiree and Employer Recovery Act of 2008 on December 23, 2008. The new Act provides relief from the age 70½ required minimum distribution (RMD) rules for distributions otherwise payable for 2009 from IRAs and individual account plans, such as 401(k) and 403(b) Plans. You are generally required to begin receiving RMDs no later than April 1st of the year following the later of the calendar year in which you (1) reach age 70½, or (2) retire from employment with the employer. The Act waives the RMD for 2009 as follows:

- If you reached age 70½ in 2008, you would normally receive your first minimum distribution for 2008 by April 1, 2009. You must still receive your 2008 minimum distribution by April 1, 2009.
  - If you reach age 70½ in 2009, you would normally receive your first minimum distribution for 2009 by April 1, 2010. You are not required to receive your 2009 distribution on April 1, 2010.
  - If you reach age 70½ in 2010, you are required to receive your first minimum distribution for 2010 by April 1, 2011. This minimum distribution will be based on your account balance as of December 31, 2009.
  - If you reached age 70½ before 2009 and are currently receiving required minimum distributions, you may waive this distribution for 2009. Your minimum distribution will resume on 2010 based on your account balance as of December 31, 2009.
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